

#### 4.0 Presentation 3: Economic Impacts of Globalisation at the District, Landing Site and Sub-Sector Enterprise Levels on Lakes Kyoga, Albert and Victoria - Dr. O. K. Odongkara

##### 4.1 Introduction

The presenter emphasized that his expectation was that the participants would discuss and review the interim findings from FIRRI with the view of strengthening the findings. He explained that FIRRI's role was to provide information on the impact of fish exports on the artisanal fish producers, traders, processors and consumers with respect to the costs and earnings by developing a sector-wide and detailed models of selected landings sites on Lakes Victoria, Kyoga and Albert.

##### 4.2 Policy Framework

He informed the participants that Globalisation of fish trade was promoted by policies introduced under the Structural Adjustment Programmes (SAPs) and subsequently under the PEAP, PMA and NFP, which in effect opened up the nation's fisheries to the foreign investments and markets.

He recognised food security, improved incomes and higher quality of life as reflected by high levels of educational and health achievements as the desired livelihood outcomes, which globalisation of the fisheries can influence. He further explained that Globalisation could enhance livelihoods by influencing the different elements of the pentagon of livelihood assets; namely human, financial, physical, natural and social capital of the communities (See Annex II). The study focused on financial and physical capital.

The fish flow model for Lake Victoria, Kyoga and Albert, which clearly shows two distinct marketing chains supplying the overseas export and domestic/ regional markets was also described. He emphasized the point in the chain where fish factory by-products are channelled back to the domestic market (See Annex II).

#### **4.3 Data Collection**

It was mentioned that data was collected through literature reviews, examination of district records and reports, key informant interviews with DFO's and Beach leaders and questionnaire interviews with fisheries enterprise unit owners.

#### **4.4 Findings**

##### **4.4.1 Arrival Of Chilled Facilities**

The presenter informed the participants that chilled facilities had operated on Lake Victoria for over 10 years whereas on Lake Kyoga and Albert they began operating around November 2001. He added that trucks operate at the beaches only after receiving approval from district authorities. For Islands and inaccessible beaches, insulated boats are used to collect the Nile perch.

##### **4.4.2 Impacts of Globalisation**

###### **District Level Impacts**

The presenter reported that districts had benefited from Increased revenues mainly from specific tax charged on refrigerated trucks and boats and increased market dues from beach tenders. In addition, improvements in district planning, policy formulation, infrastructure, social services and quality of fisheries statistics had been made.

###### **Impacts on Fish Production**

The presenter reported that fish exports had resulted into: -

- Increased investment in the fishery in terms of boats, gear and outboard engines as indicated by the high investment costs of the Nile perch targeting fishermen.
- Adoption of low-cost fishing methods such as trolling for the Nile perch, which usually requires high investment.
- Increased incomes of fishing unit owners and crewmembers targeting Nile perch as reflected by their higher incomes.

## **Impacts on Fish Processing**

Fish exports have: -

- Displaced artisanal fish processors as revealed by the few numbers and in some cases absence of artisanal fish processors at beaches, especially on Lakes Victoria and Kyoga.
- Led to processing of low quality fish (factory rejects and juveniles) as reflected by the low buying prices of artisanal processors as compared to that of factory agents. It was also noted that the strict fish quality control measures coupled with the intensive enforcement operations being undertaken have greatly reduced the availability of factory rejects and juvenile fish for artisanal fish processing.
- Considerably reduced the incomes of artisanal fish processors as indicated by the very low profit levels of artisanal Nile perch processors.

## **Impacts on Fish marketing**

Fish exports have:

- Significantly reduced the levels of artisanal fish marketing particularly of Nile perch. However, the impact is more pronounced among the local processors.
- Caused local traders to shift to marketing of Nile Tilapia, which is fairly priced in comparison to the Nile perch. The few Nile perch local dealers traded in low quality Nile perch (factory rejects and juveniles) as indicated by their low buying prices.
- Led to the emergence of a new type of agents between the producers and the refrigerated trucks due to the difficulties (mistrust, cheating and defaulting on payment for credit deliveries) encountered by fishermen in dealing directly with factory agents.

## **Impacts on Fish consumption**

Fish exports have:

- Reduced per capita fish consumption levels particularly of Nile perch even at beach level as revealed by the higher fish consumption levels at non-truck beaches relative to truck beaches.
- Led to consumption of low quality Nile perch (rejects and juvenile fish) as illustrated by the low local buying prices of Nile perch relative to the prices offered by factory agents.

## 4.5 Discussion

One participant wondered why the coping strategies of poor fisherfolk, a key planned project output had not been covered in the presentation. It was also observed that the study had ignored broader issues such as the impact of fish exports on gender, distribution of benefits, changes in fish consumption patterns and the ecological impact. The presenter explained that the terms of reference dictated the scope of the study.

Another participant made an appeal to the project leader to make available packaged forms of the study for wider use given the valuable information that had been presented. The project leader said that the final stages of the project would focus on dissemination activities, during which stakeholders will become aware of how to acquire the project outputs.

A question arose as to why operation of trucks at beaches is regulated by district authorities and not left to forces of demand and supply. Regulation of operation of factory trucks was deemed necessary not only to regulate catch but also to ensure long-term stability of revenues from refrigerated trucks.

Most of the participants wondered why exports of Nile tilapia had been approved yet such a measure is bound to compromise food security in relation to fish consumption. A representative from the Department of Fisheries Resources maintained that the stocks of Nile tilapia were not threatened to warrant banning of Nile tilapia exports.

An explanation as to why refrigerated trucks on Lake Kyoga and Albert began a few years ago (2001) and yet on Lake Victoria they have been operating for over a decade was asked for. A representative from DFR partly attributed it to the lack of fish handling and sanitation facilities, key requirement for exporting to the EU markets. Additionally, the rapid growth in the export demand made it necessary to exploit Lakes Kyoga and Albert stocks.

## 5.0 Presentation 4: Perspectives of Impacts of International Fish Trade in Kenya - Dr. Richard O. Abila

### 5.1 Global Outlook of International Fish Trade

He began by presenting key facts about the global fish trade. They included:

- Nearly 40% of the world's fish is internationally traded
- About 50% of fish exports are from developing countries
- Low-income food deficient countries represent about 20% of the world's fish trade
- Asian countries (Thailand, China, India, Malaysia etc) dominate fish trade mainly from aquaculture
- In Asian countries there is close relation between fish exports and other food imports, thus, fish pays for much of other food imports
- Developed countries account for >80% of the value of total fish imports